# MNQUMA LOCAL MUNICIPALITY

IMVABA EZEL'INGQAKA

MNQUMA

LOCAL MUNICIPALITY

**2026/2027**

# Performance Agreement

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# CHIEF FINANCIAL OFFICER

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# PERFORMANCE AGREEMENT

**MADE AND ENTERED INTO BY AND BETWEEN:**

**MR SILUMKO MAHLASELA**

In his capacity as Municipal Manager of Mnquma Local Municipality

**AND**

**MR MZUSEKHO MATOMANE**

In his capacity as Chief Financial Officer

FOR THE

**FINANCIAL YEAR 01 JULY 2026 – 30 JUNE 2027**

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# PERFORMANCE AGREEMENT

**ENTERED INTO BY AND BETWEEN:**

**Mr Silumko Mahlasela** in his capacity as **Municipal Manager** (hereinafter referred to as the ***Employer***)

and

**Mr Mzusekho Matomane**, in his capacity as **Chief Financial Officer** of Mnquma Local Municipality (hereinafter referred to as the ***Employee)***.

**WHEREBY IT IS AGREED AS FOLLOWS:**

## 1. INTRODUCTION

1.1. The Employer has entered into a Performance agreement with the Employee in terms of section 57(1) (b) of the Local Government: Municipal Systems Act 32 of 2000 (herein after referred to as "the Systems Act"). The Employer and the Employee are hereinafter referred to as "the Parties."

1.2. The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will secure local government policy goals.

1.3. The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

## 2. PURPOSE OF THIS AGREEMENT

The purpose of this agreement is to –

2.1. Comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;

2.2. Specify objectives and targets established for the Employee and communicate to the Employee the Employer's expectations and accountabilities;

2.3. Specify accountabilities as set out in the Performance Plan (**Annexure A**);

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2.4. Monitor and measure performance against set targeted outputs;

2.5. Use the Performance Agreement and Performance Plan as the basis for assessing whether the Employee has met the performance expectations applicable to the position;

2.6. Reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance; and

2.7. Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

**3. COMMENCEMENT AND DURATION**

3.1. This Agreement will commence on the **1 July 2026** and will remain in force until **30 June 2027.**

3.2. The parties will review the provisions of this Agreement during June each year.

3.3. This Agreement will terminate on the termination of the Employee's employment for any reason.

3.4. The content of this Agreement may be revised at any time during the above Mentioned period to determine the applicability of the matters agreed upon.

**4. PERFORMANCE OBJECTIVES**

4.1. The Performance Plan (Annexure A) sets out –

4.1.1 the performance objectives and targets that must be met by the Employee; and

4.1.2 The time frames within which those performance objectives and targets must be met.

4.2 The performance objectives and targets reflected in **Annexure A** are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, the Service Delivery and Budget Implementation Plan and the Budget.



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4.3 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

## 5. PERFORMANCE MANAGEMENT SYSTEM

5.1 The Employee hereby agrees to participate in the performance management system that the Employer adopts for the Employer.

5.2 The Employee hereby accepts that the purpose of the performance management system is to provide a comprehensive system with specific performance standards to assist the Employer.

5.3 The Employer hereby agrees to consult the Employee about the specific performance standards that are included in the performance management system as applicable to the Employee.

## 6 APPLICATION OF THE PERFORMANCE MANAGEMENT SYSTEM

6.1 The criteria upon which the performance of the Employee is assessed consists of two components, both of which are contained in this Performance Agreement.

6.1.1 The Employee will be assessed against both components, with a weighting of 80 allocated to the Key Performance Areas (KPAs) and 20 to Core Competency Requirements (CCR's).

6.1.2 Each area of assessment will be weighted and contribute a specific value to the total score.

6.1.3 KPAs covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.

6.2 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified in the Performance Plan (Annexure A), which are linked to the KPAs, and constitute 80% of the overall assessment result in accordance with the weightings agreed to between the Employer and the Employee and set out hereunder:

**The weights in the table below** sets out how the Employee contributes to each of the Key Performance Area.

| **Key Performance Areas (KPA's)** | **Weighting** |
|---|---|
| Basic Service Delivery | 10 |
| Municipal Institutional Development and Transformation | 10 |
| Local Economic Development | 5 |
| Municipal Financial Viability and Management | 60 |
| Good Governance and Public Participation | 15 |
| Total | 100% |



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6.3 The CCR's make up the remaining 20% of the Employee's assessment score in line with the Performance Regulations. The following CCRs have been agreed between the Chief Financial Officer and the Municipal Manager that they will be evaluated as per the schedule of PMS reviews

| **CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (20% of Total)** | | |
|---|---|---|
| **CORE MANAGERIAL COMPETENCIES (CMC)** | √ (Indicate choice) between essential and compulsory | WEIGHT |
| Strategic Capability and leadership | essential | |
| Programme and Project Management | essential | 10 |
| Financial Management | compulsory | 30 |
| Change Management | | |
| Knowledge Management | Essential | 10 |
| Service Delivery Innovation | | |
| Problem Solving and Analytical Thinking | essential | |
| People Management and Empowerment | compulsory | 10 |
| Client Orientation and Customer Focus | compulsory | 10 |
| Communication | essential | |
| Honesty and Integrity | | 5 |
| **CORE OCCUPATIONAL COMPETENCIES** | | |
| Competence in Self-Management | essential | 5 |
| Interpretation of and implementation within the legislative and national policy frameworks | essential | 10 |
| Knowledge of developmental local government | | |
| Knowledge of Performance Management and Reporting | Compulsory | 5 |
| Knowledge of global and South African specific political, social and economic context | | |
| Competence in policy conceptualization, analysis and implementation | essential | 5 |
| Knowledge of more than one functional municipal field discipline | | |
| Skills in Mediation | | |
| Exceptional and dynamic creativity to improve the functioning of the municipality | | |
| TOTAL | | 100% |



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## 7 EVALUATING PERFORMANCE

7.1 The Performance Plan (Annexure A) attached to this Agreement sets out–

7.1.1 the standards and procedures for evaluating the Employee's performance; and

7.1.2 The intervals at which an evaluation of the Employee's performance will be performed.

7.2 Notwithstanding the agreed intervals for evaluation, the Employer may, in addition, review the Employee's performance at any reasonable time, while the contract of employment remains in force.

7.3 Personal growth and development needs identified during a performance review will be documented in a Personal Development Plan which shall also set out the actions and time frames agreed to relate thereto.

7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's IDP.

7.5 The annual performance appraisal will involve:

7.5.1 An assessment of the achievement of results as outlined in the performance plan as indicated hereunder;

(a) Each KPA will be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to *ad hoc* tasks that had to be performed under the KPA.

(b) An indicative rating on the five-point scale will be provided for each KPA based on the the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final KPA score.

7.5.2. Assessment of the CCR's

(a) Each CCR's will be assessed according to the extent to which the specified standards have been met.

(b) An indicative rating on the five-point scale will be provided for each CCR's.

(c) Based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final CCR's score.

7.5.3. An overall rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

7.6. The assessment of the Employee will be based on the following rating scale for KPA's and CCRs:

| Level | Terminology | Description | Rating | | | | |
|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 |
| 5 | Outstanding performance | Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year. | | | | | |
| 4 | Performance significantly above expectations | Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year. | | | | | |
| 3 | Fully effective | Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan. | | | | | |
| 2 | Not fully effective | Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan. | | | | | |
| 1 | Unacceptable performance | Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement. | | | | | |


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7.7. For the purposes of evaluating the annual performance of the Employee, an evaluation panel constituted of the following persons will be established-

7.1. Municipal Manager;
7.2. Chairperson of the audit committee
7.3. A member of the Mayoral Committee; and
7.4. A Municipal Manager from another municipality.

## 8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1. The formal performance review of the employee will be during Mid-Term and Annual Basis in the following manner with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

**2025/2026 Annual Review : September 2026**
**2026/2027 Mid-year Review : February 2027**

8.2. The Employer shall maintain a record of the mid-year review and the annual assessment meetings.

8.3. Performance feedback based on the Employer's assessment of the Employee's performance will be provided to the Employee.

8.4. The Employer or the Employee will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons subject to consultation and agreement between the parties before any such change is concluded.

## 9. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) addressing development gaps is attached as **Annexure "B".**

## 10. OBLIGATIONS OF THE EMPLOYER

10.1. The Employer shall and agrees to –

10.1.1. Create an enabling environment to facilitate effective performance by the Employee;
10.1.2. Provide access to skills development and capacity building opportunities;
10.1.3. Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;



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10.1.4. On the request of the Employee, delegate such powers reasonably required by the Employee to enable him or her to meet the performance objectives and targets established in this Agreement and;

10.1.5. Make available to the Employee such resources as the Employee may reasonably require from time to time to meet the performance objectives and targets established in this Agreement.

## 11. CONSULTATION

11.1. The Employer agrees to consult the Employee timeously where the exercising of any of the powers or decisions of the Council will have or result in, amongst others, –

11.1.1. A direct impact on the performance of any of the Employee's functions;

11.1.2. Commit the Employee to implement or to give effect to a decision made by the Employer; and

11.1.3. A substantial financial impact on the Employee or on the budget under the control of the Employee.

11.2. The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

## 12. MANAGEMENT OF EVALUATION OUTCOMES

12.1. The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

12.2. A performance bonus of between 5% to 14% of the inclusive annual remuneration package for the year under consideration may be paid to the Employee in recognition of outstanding performance.

12.4. In the case of unacceptable performance, the Employer shall–

12.4.1. Provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and

12.4.2. After appropriate performance counselling, and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out her duties.



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## 13. DISPUTE RESOLUTION

13.1 Any disputes about the nature or content of the Employee's Performance Agreement, whether it relates to key responsibilities, priorities, methods, assessments and / or any other matter provided for, shall be mediated by –

13.1.1. The Executive Mayor, within thirty (30) days of receipt of a formal dispute from the Employee; or

13.1.2. Any other person appointed by the Executive Mayor.

13.6. In the event that the mediation process contemplated above fails, clause 20 of the Contract of Employment shall apply.

## 14. GENERAL

14.1. The contents of this Agreement and the outcome of any review conducted in terms of Annexure A (Performance Plan) will be made available to the public by the Employer.

14.2. Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of her Agreement of Employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

**Thus done and signed at Butterworth on the 01st day of July 2026.**

**AS WITNESSES:**

**1.** ....................................

**M MATOMANE**
**CHIEF FINANCIAL OFFICER**

**2.** ....................................

**Thus done and signed at Butterworth on the 01st day of July 2026.**

**AS WITNESSES:**

**1.** ....................................

**S MAHLASELA**
**MUNICIPAL MANAGER**

**2.** ....................................



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# ANNEXURE A
# PERFORMANCE PLAN

| 2026-2027 PERFORMANCE PLAN FOR CHIEF FINANCIAL OFFICER | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Priority Area | IDP Objective | IDP Strategy | Baseline | Annual Budget | Indicator | Annual Target | Annual POE | 1st Quarterly Target 30-Sep-26 | 2nd Quarterly Target 31-Dec-26 | 3rd Quarterly Target 31-Mar-27 | 4th Quarterly Target 30-Jun-27 |
| KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT- 60% | | | | | | | | | | | |
| **Revenue Enhancement & Management** | To increase municipal own revenue base by June 2027 | Implement Revenue Enhancement Strategy | 110000000 | 113,400,000 | Amount of revenue billed by June 2027 | Annual billing of R131 Million by June 2027 | 1. Billing Report for rates, refuse and rentals<br>2. Collection report for other revenue | Bill R59 million | Bill R83 million | Bill R107 million | Bill R131 million |
| | To prepare Supplementary valuation roll for rating purposes by June 2027 | Administer and review Supplementary valuation roll | Supplementary valuation roll | 850,000 | Supplementary valuation roll developed and approved by June 2027 | Develop and approve supplementary valuation roll by June 2027 | Approved Supplementary valuation roll<br>Gazette of supplementary valuation roll<br>Advert for inspection of supplementary valuation roll | N/A | N/A | Develop and Approve Supplementary valuation roll | N/A |
| | To increase collection of own revenue by June 2027 | Implement Revenue Enhancement Strategy | 95000000 | 5,305,420 | Amount of own revenue collected by June 2027 | Collect R135 000 000 of own revenue by June 2027 | Annual Collection report | Collect R28 000 000.00 of own revenue | Collect R52 000 000 of own revenue against total budget | Collect R78 000 000 of own revenue against total budget | Collect R135 000 000 of own revenue against total budget |
| | To recover unpaid debts to improve cash flow, reduce deficits, sustain public services, and encourage responsible payments. | Implement Revenue Enhancement Strategy | 0 | 930,000 | Number of Debt collection campaigns conducted by June 2027 | Conduct 4 Debt collection campaigns by June 2027 | Debt collection campaign plan<br>Attendance register<br>Minutes of debt collection campaign engagements | Conduct 1 Debt collection campaign | Conduct 1 Debt collection campaign | Conduct 1 Debt collection campaign | Conduct 1 Debt collection campaign |
| | To recover unpaid debts to improve cash flow, reduce deficits, sustain public services, and encourage responsible payments. | Implement Revenue Enhancement Strategy | 0 | - | Number of summons applications for debtors owing more than 30 days prepared by June 2027 | Prepare 1000 applications for summons to debtors owing more than 30 days without arrangement by June 2027 | Register of Summons prepared | Prepare 250 applications for summons to debtors owing more than 30 days without arrangement | Prepare 250 applications for summons to debtors owing more than 30 days without arrangement | Prepare 250 applications for summons to debtors owing more than 30 days without arrangement | Prepare 250 applications for summons to debtors owing more than 30 days without arrangement |
| | To promote and enhance financial viability by June 2027 | Update registers | 168 Financial Registers prepared in 2025/2026 financial year | | Number of registers prepared and reviewed by June 2027 | Prepare and review 144 registers (payments, direct debits, fruitless and wasteful expenditure, unauthorised expenditure, irregular expenditure, traffic fines issued, grants received, procurement requisitions, investment register, retentions register, WIP and Deviations register) by June 2027 | 144 Reviewed financial registers | Prepare and review 36 registers (payments, direct debits, fruitless and wasteful expenditure, unauthorised expenditure, irregular expenditure, traffic fines issued, grants received, procurement requisitions, investment register, retentions register, WIP and Deviations register) | Prepare and review 36 registers (payments, direct debits, fruitless and wasteful expenditure, unauthorised expenditure, irregular expenditure, traffic fines issued, grants received, procurement requisitions, investment register, retentions register, WIP and Deviations register) | Prepare and review 36 registers (payments, direct debits, fruitless and wasteful expenditure, unauthorised expenditure, irregular expenditure, traffic fines issued, grants received, procurement requisitions, investment register, retentions register, WIP and Deviations register) | Prepare and review 36 registers (payments, direct debits, fruitless and wasteful expenditure, unauthorised expenditure, irregular expenditure, traffic fines issued, grants received, procurement requisitions, investment register, retentions register, WIP and Deviations register) |
| **Expenditure Management** | To strengthen internal controls, authorization and withdrawal payment of funds by June 2027 | Implement financial procedures and expenditure management policy | Payment of creditors within 30 Days | - | Percentage progress on payments of creditors within 30 days by June 2027 | Pay 100% of creditors within 30 days of receiving valid invoice by June 2027 | Invoice Tracking Register | 100% of creditors paid within 30 days of receiving valid invoice | 100% of creditors paid within 30 days of receiving valid invoice | 100% of creditors paid within 30 days of receiving valid invoice | 100% of creditors paid within 30 days of receiving valid invoice |
| | | | Payment of all employee salaries by the 25th of each month | | Turnaround time on payment of salaries by June 2027 | Pay salaries by the 25th of each month | Bank statement | Pay salaries by the 25th of each month | Pay salaries by the 25th of each month | Pay salaries by the 25th of each month | Pay salaries by the 25th of each month |
| | | | Payment of all third-parties by the 07th of the following month | - | Percentage progress on payments of third-parties by June 2027 | Pay 100% of third-party payments by the 07th of the following month | 1. Register for Third parties<br>2. Third-parties proof of payments | Pay 100% of third-party payments by the 07th of the following month | Pay 100% of third-party payments by the 07th of the following month | Pay 100% of third-party payments by the 07th of the following month | Pay 100% of third-party payments by the 07th of the following month |
| | Ensure full statutory compliance with tax legislation through timely and accurate submission of VAT and payroll tax returns to SARS | Implement efficient financial governance systems that ensure monthly and annual tax declarations are submitted within legislated deadlines. | 12 VAT 201 submitted by 25 of each month | - | Number of VAT 201s submitted to SARS by the 25th of each month | Submit 12 VAT 201 to SARS by the 25th of each month | Proof of 12 VAT 201 submitted to SARS | Submit 3 VAT 201 to SARS by the 25th of each month | Submit 3 VAT 201 to SARS | Submit 3 VAT 201 to SARS | Submit 3 VAT 201 to SARS |
| | | | 12 EMP 201 submitted by the end of each month | - | Number of EMP 201s submitted to SARS by the end of each month | Submit 12 EMP 201 to SARS by June 2027 | Proof of 12 EMP 201 submitted to SARS | Submit 3 EMP 201 to SARS by the end of each month | Submit 3 EMP 201 to SARS by the end of each month | Submit 3 EMP 201 to SARS by the end of each month | Submit 3 EMP 201 to SARS by the end of each month |
| | | | 02 EMP 501 submitted to SARS by 30 May 2026 and 31 October 2026 | - | Number of EMP 501 submitted to SARS by June 2027 | Submit 2 EMP 501 to SARS by June 2027 | Proof of submission of EMP 501 to SARS | N/A | Submit 1 EMP 501 to SARS | N/A | Submit 1 EMP 501 to SARS |

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| Priority Area | IDP Objective | IDP Strategy | Baseline | Annual Budget | Indicator | Annual Target | Annual POE | 1st Quarterly Target 30-Sep-26 | 2nd Quarterly Target 31-Dec-26 | 3rd Quarterly Target 31-Mar-27 | 4th Quarterly Target 30-Jun-27 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Asset Management | To manage municipality's assets for increased accountability and safeguarding by June 2027 | To strengthen asset management and utilisation systems to improve accountability, safeguard municipal assets, and extend asset lifespan. | Fixed Asset Register | - | GRAP Fixed asset register compiled by 30 June 2027 | Compile 2026/2027 GRAP Compliant Fixed Assets Register by 30 June 2027 | GRAP Compliant fixed asset register for 2026/2027 | N/A | N/A | N/A | Compile GRAP Compliant Fixed Assets Register by 30 June 2027 |
| | | | Fixed Asset register | - | Number of physical assets verifications performed for movable assets by June 2027 | Perform four physical verification for movable assets by June 2027 | Physical Asset verification Report | Conduct 1 Physical Asset Verification for movable assets | Conduct 1 Physical Asset Verification for movable assets | Conduct 1 Physical Asset Verification for movable assets | Conduct 1 Physical Asset Verification for movable assets |
| | | | 100% Asset Insured | 3,379,314 | Percentage progress towards insuring of Municipal Assets by June 2027 | Insure 100% of Municipal Assets by June 2027 | (1) Appointment letter of Service Provider<br>(2) Policy Document<br>(3) Annual report on Insurance of Municipal Assets | Insure new assets purchased | Insure new assets purchased | Renew insurance policy with appointed service provider | Insure new assets purchased |
| | | | 100% Installation and monthly monitoring of fleet management system | 8,870,226 | Percentage progress towards installation of Fleet management system | Install 100% of fleet management system in all Municipal Fleet by June 2027 | Fleet Management System installation report | Install 100% of fleet management system in all Municipal Fleet | Install 100% of fleet management system in all Municipal Fleet | Install 100% of fleet management system in all Municipal Fleet | Install 100% of fleet management system in all Municipal Fleet |
| | | | One fleet policy workshop for municipal authorised drivers conducted. | 0 | Number of Fleet Policy workshop conducted by June 2027 | Conduct One fleet policy workshop to municipal authorised drivers by June 2027 | Invitation & Attendance register | N/A | Conduct One fleet policy workshop to municipal authorised drivers | N/A | N/A |
| | | | 12 Stock counts | - | Number of stock counts conducted by June 2027 | Conduct 12 Stock counts by June 2027 | Annual Stocktake report | Conduct 3 Stock counts | Conduct 3 Stock counts | Conduct 3 Stock counts | Conduct 3 Stock counts |
| Budget; Treasury and Reporting Systems | To develop Medium Term Revenue and Expenditure Framework, monitor implementation and report thereof by June 2027 | Develop and monitor Budget Process Plan and implementation of the MTREF Budget in terms of Budget,Virement,funding and reserves policies | 2025/2027 MTREF Budget | - | 2027/2030 MTREF budget approved by Council and submitted to Treasury by June 2027 | Prepare 2027/2030 MTREF Budget for council approval and submit to Treasury by June 2027 | (1) 2027/2030 MTREF Budget<br>(2) Council Resolution on approval of 2027/2030 MTREF Budget<br>(3) Proof of submission to Treasury | Develop 2027/2028 IDP/PMS and Budget Process Plan | N/A | Prepare Draft 2027/2030 MTREF Budget | Approve of 2027/2030 Final MTREF Budget |
| | | | | | Implementation of 2026/2027 MTREF Budget monitored by June 2027 | Monitor Implementation of 2026/2027 MTREF Budget by June 2027 | Report on Implementation of 2026-2027 approved Budget | Monitor Implementation of 2026/2027 MTREF Budget | Monitor Implementation of 2026/2027 MTREF Budget | Monitor Implementation of 2026/2027 MTREF Budget | Monitor Implementation of 2026/2027 MTREF Budget |
| | | | | | 2026/2027 1st and 2nd adjustment budgets prepared, approved by council and submitted to Treasury by June 2027 | Prepare 2026/2027 1st and 2nd adjustment budgets, submit to Council for approval and submit to Treasury by June 2027 | (1) 1st and 2nd adjustment budgets<br>(2) Council Resolutions on approval of 1st and 2nd adjustment budgets<br>(3) Proof of submissions to Treasury | Prepare 2026/2027 1st adjustment budget, facilitate approval by Council and submit to Treasury | N/A | Prepare 2026/2027 2nd adjustment budget, approval by Council and submit to Treasury | N/A |
| | To promote sound financial governance, transparency, and accountability by preparing and submitting annual financial statements that are fully compliant with the applicable Standards of GRAP issued by the Accounting Standards Board by June 2027. | Prepare GRAP Compliant Financial Statements | 2025/2026 Quarterly Financial Statements | - | Date by which 2026/2027 three Quarterly Financial Statements prepared and submitted to internal Audit. | Prepare and submit three 2026/2027 Quarterly Financial Statements to Internal Audit by 30 June 2027 | (1) 2026/2027 Quarterly Financial Statements<br>(2) Proof of Submission of AFS to Internal Audit. | N/A | Prepare and submit one 2026/2027 Quarterly Financial Statements to Internal audit by 30th November 2026 | Prepare and submit 1 2026/2027 Quarterly Financial Statements to internal audit by 28 February 2027 | Prepare and submit 1 2026/2027 Quarterly Financial Statements to internal audit by 31 May 2027 |
| | | | 2024/2025 Annual Financial Statements | 100,000 | Date by which 2025/2026 Annual Financial Statements prepared and submitted to AG | Prepare and submit 2025/2026 Annual Financial Statements to AG by 31 August 2026 | (1) 2025/2026 Annual Financial Statements<br>(2) Proof of Submission of AFS to AG | Prepare and submit 2025/2026 Annual Financial Statements to AG by 31 August 2026 | N/A | N/A | N/A |
| | To strengthen financial oversight, transparency, and statutory compliance through the timely preparation, review, and submission of accurate financial performance reports in line with the Municipal Finance Management Act (MFMA) by June 2027. | Strengthen Financial Reporting Processes | 12 Section 71 Reports | - | Number of Section 71 reports developed, reviewed and submitted to the Mayor and Treasury by June 2027 | Develop & review 12 Section 71 reports and submit to the Mayor and Treasury by June 2027 | (1) 12 Section 71 Reports<br>(2) Proof of submission to Mayor and Treasury | Develop & review 3 section 71 reports and submit to the Mayor and Treasury | Develop & review 3 section 71 reports and submit to the Mayor and Treasury | Develop & review 3 section 71 reports and submit to the Mayor and Treasury | Develop & review 3 section 71 reports and submit to the Mayor and Treasury |
| | | | 4 Section 52(d) Reports | - | Number of Section 52(d) reports developed and submitted by June 2027 | Develop and submit 4 Section 52 (d) reports by June 2027 | (1) Section 52d report<br>(2) Council Resolution on approval of section 52 report | Develop and submit 1 section 52d report | Develop and submit 1 section 52d report | Develop and submit 1 section 52d report | Develop and submit 1 section 52d report |
| | | | 1 Section 72 Report | - | Number of Section 72 reports developed and approved by Council in January 2027 | Develop 1 Section 72 report for Council approval by January 2027 | (1) Section 72 Report<br>(2) Council Resolution on approval of Section 72 Report | N/A | N/A | Develop section 72 report for Council approval | N/A |

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| Priority Area | IDP Objective | IDP Strategy | Baseline | Annual Budget | Indicator | Annual Target | Annual POE | 1st Quarterly Target 30-Sep-26 | 2nd Quarterly Target 31-Dec-26 | 3rd Quarterly Target 31-Mar-27 | 4th Quarterly Target 30-Jun-27 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | To enhance financial viability by June 2027 | Implement financial procedures | Reconciliation report submitted in 2025/2026 financial year | - | Number of reconciliations prepared and approved by June 2027 | Prepare, review and approve 168 reconciliations (Bank, Unspent Conditional Grants, Debtors, Property Rates, Asset Additions, WIP, VAT, Creditors Control Account, Payroll Expenditure, Payroll Control Account, Net Pay Control Account, Inventory and Retentions) by June 2027 | (1) Reconciliation report | Prepare, review and approve 168 reconciliations (Bank, Unspent Conditional Grants, Debtors, Property Rates, Asset Additions, WIP, VAT, Creditors Control Account, Payroll Expenditure, Payroll Control Account, Net Pay Control Account, Inventory and Retentions | Prepare, review and approve 168 reconciliations (Bank, Unspent Conditional Grants, Debtors, Property Rates, Asset Additions, WIP, VAT, Creditors Control Account, Payroll Expenditure, Payroll Control Account, Net Pay Control Account, Inventory and Retentions | Prepare, review and approve 168 reconciliations (Bank, Unspent Conditional Grants, Debtors, Property Rates, Asset Additions, WIP, VAT, Creditors Control Account, Payroll Expenditure, Payroll Control Account, Net Pay Control Account, Inventory and Retentions | Prepare, review and approve 168 reconciliations (Bank, Unspent Conditional Grants, Debtors, Property Rates, Asset Additions, WIP, VAT, Creditors Control Account, Payroll Expenditure, Payroll Control Account, Net Pay Control Account, Inventory and Retentions |
| Supply Chain Management | To ensure effective, efficient and transparent SCM processes by June 2027 | Annually Review and implement SCM policies and procedures | 2024/2025 Annual SCM Report | - | 2025/2026 Council approved SCM annual report submitted to Treasury by 31st July 2026 | Prepare 2025/2026 SCM Annual report for Council approval and submit to Treasury by 31st July 2026 | (1) SCM Annual and Quarterly Reports (2) Proof of Submission to Council and Provincial Treasury | Prepare and submit SCM annual report to Council and Treasury within 30 working day after financial year. | N/A | N/A | N/A |
| | | | 2025/2026 Midterm SCM Report | - | 2026/2027 council approved mid-term SCM report submitted to Treasury by 25 January 2027 | Prepare 2026/2027 SCM mid-term report for Council approval and submit to Treasury by 25 January 2027 | (1) SCM Mid-term Reports (2) Proof of Submission to Council and Provincial Treasury | N/A | N/A | Prepare and submit SCM mid-term report to Council and Treasury within 10 working day after each quarter | N/A |
| | | | Quarterly SCM Reports prepared in 2025/2026 financial year | - | Number of Council approved SCM quarterly reports submitted to Treasury by June 2027 | Prepare 4 SCM quarterly reports for Council approval and submit to Treasury within 30 days after the end of each quarter by June 2027. | (1) 4 SCM Quarterly Reports (2) Proof of Submission to Council and Provincial Treasury | Prepare and submit SCM quarterly reports to Council and Provincial Treasury within 30 days after the end of each quarter. | Prepare and submit SCM quarterly reports to Council and Provincial Treasury within 30 days after the end of each quarter. | Prepare and submit SCM quarterly reports to Council and Provincial Treasury within 30 days after the end of each quarter. | Prepare and submit SCM quarterly reports to Council and Provincial Treasury within 30 days after the end of each quarter. |
| | | | 2025/2026 Procurement Plan | - | 2027/2028 Procurement Plan developed by June 2027 | Develop 2027/2028 procurement plan by June 2027 | 2027/2028 Procurement Plan | N/A | N/A | N/A | Co-ordinate development of 2027/2028 procurement plan |
| | | | | - | 2026/2027 BTO Directorate Procurement Plan implemented by June 2027 | Implement 2026/2027 BTO Directorate procurement plan by June 2027 | (1) Procurement Plan (2) Report on implementation BTO 2026/2027 procurement plan | Implement 2026/2027 procurement plan | Implement 2026/2027 procurement plan | Implement 2026/2027 procurement plan | Implement 2026/2027 procurement plan |
| | | | Contracts and Commitment registers prepared and reviewed in 2025/2026 financial year | - | Number of Contracts and capital commitments registers prepared and reviewed by June 2027 | Prepare and review 4 contracts & Capital commitments registers by June 2027 | (1) 4 Reviewed contract and Capital commitment registers | Prepare and review 1 contracts & Capital commitments register | Prepare and review 1 contracts & Capital commitments register | Prepare and review 1 contracts & Capital commitments register | Prepare and review 1 contracts & Capital commitments register |
| | | | Performance assessment of service providers conducted in 2025/2026 financial year | - | Number of performance assessment of service providers appointed by the institution conducted by June 2027 | Conduct 12 performance assessment of service providers appointed by the institution by June 2027 | Monthly assessment report of Service providers performance | Conduct 3 performance assessment of service providers appointed by the institution. | Conduct 3 performance assessment of service providers appointed by the institution. | Conduct 3 performance assessment of service providers appointed by the institution. | Conduct 3 performance assessment of service providers appointed by the institution. |
| KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT- 10% | | | | | | | | | | | |
| Indigent Support | To provide support to indigent beneficiaries in line with the indigent policy by June 2027 | Enhance the indigent support programme to increase uptake of qualifying households subject to verification and policy compliance | 5 000 beneficiaries | 5,095,000 | Number of 2026/2027 Indigent register updated with beneficiaries by June 2027 | Compile 2026/2027 indigent register with 5000 beneficiaries by June 2027 | Indigent register 2026/2027 | Compile 2026/2027 indigent register with 1000 beneficiaries | Compile 2026/2027 indigent register with 2000 beneficiaries | Compile 2026/2027 indigent register with 3000 beneficiaries | Compile 2026/2027 indigent register with 5000 beneficiaries |
| | | | 0 | - | Number of indigent registration campaigns conducted by June 2027 | Conduct 4 indigent registration campaigns by June 2027 | Indigent registration campaign plan Attendance register Minutes of indigent registration campaign engagements | Conduct 1 Indigent registration campaign | Conduct 1 Indigent registration campaign | Conduct 1 Indigent registration campaign | Conduct 1 Indigent registration campaign |
| | | | 0 | - | Number of Applications for Non-grid Electricity Supply submitted to Department of Minerals & Energy by June 2027 | Submit 1 Annual Application with 800 Applicants for Non-grid Electricity Supply to Department of Minerals & Energy by June 2027 | 1. Application for Non-grid Electricity Supply to Department of Minerals 2. Acknowledgement of Receipt | N/A | N/A | Submit 1 Annual Application with 800 Applicants for Non-grid Electricity Supply to Department of Minerals & Energy | N/A |
| KPA: LOCAL ECONOMIC DEVELOPMENT - 5% | | | | | | | | | | | |
| SMME'S | To provide support to business enterprises through implementation of programmes for sustainability by June 2027 | Conduct SCM awareness campaign | 1 SCM awareness Campaign conducted in 2025/2026 financial year | 200,000 | Number of SCM awareness campaigns for business enterprises conducted by June 2027 | Conduct 1 SCM awareness campaign to business enterprises by June 2027 | Agenda, Attendance Register, Report on SCM awareness conducted | N/A | N/A | N/A | Conduct SCM awareness to SMMEs |
| KPA: MUNICIPAL TRANSORMATION AND INSTITUTIONAL DEVELOPMENT- 10% | | | | | | | | | | | |

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SM

| Priority Area | IDP Objective | IDP Strategy | Baseline | Annual Budget | Indicator | Annual Target | Annual POE | 1st Quarterly Target 30-Sep-26 | 2nd Quarterly Target 31-Dec-26 | 3rd Quarterly Target 31-Mar-27 | 4th Quarterly Target 30-Jun-27 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Municipal Administration (Council Support)** | To ensure administrative support for effective and efficient performance of council and its committees by June 2027 | Develop Institutional Calendar on annual basis and ensure its implementation | 4 Standing Committee Meetings sat in 2025/2026 financial year | | Number of Standing Committee for Budget and Treasury Office Directorate co-ordinated by June 2027 | Co-ordinate sitting of 4 Standing Committee meetings for Budget and Treasury Office Directorate by June 2027 | Agenda and Attendance register for Standing Committee Meetings | Co-ordinate sitting of 1 Standing Committee meetings for Budget and Treasury Office Directorate | Co-ordinate sitting of 1 Standing Committee meetings for Budget and Treasury Office Directorate | Co-ordinate sitting of 1 Standing Committee meetings for Budget and Treasury Office Directorate | Co-ordinate sitting of 1 Standing Committee meetings for Budget and Treasury Office Directorate |
| **Municipal Administration (Customer Care)** | To provide Customer Care through effective handling of queries and complaints by June 2027 | Conduct surveys and site visits to Customer Care areas | Customer Care Centre and Presidential Hotline | | Feedback provided to Customer complaints from the date of receipt within 30 days by June 2027 | Provide Feedback to customer complaints within 30 days from the date of receipt by June 2027 | Report on received complaints | Provide Feedback to customer complaints within 30 days from the date of receipt | Provide Feedback to customer complaints within 30 days from the date of receipt | Provide Feedback to customer complaints within 30 days from the date of receipt | Provide Feedback to customer complaints within 30 days from the date of receipt |
| **KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- 15%** | | | | | | | | | | | |
| **Strategic Planning- IDP** | To co-ordinate development and annual review of 2022/2027 Integrated Development Plan to guide municipal planning by June 2027 | Develop and coordinate the implementation of IDP, PMS and Budget Process Plan annually | 2026/2027 Reviewed Integrated Development Plan | | Percentage progress on development of 2027/2032 Integrated Development Plan by June 2027 | Develop 100% of 2027/2032 IDP by June 2027 | (1) 2026/2027 IDP<br>(2) Council Resolution | 25% development of 2027/2032 IDP (Review of Situational Analysis) | 50% development 2027/2032 IDP (Review of Objectives and Strategies) | 75% development of 2027/2032 IDP (Draft IDP and SDBIP) | Contribute to 100% development of 2027/2032 IDP (Final IDP) |
| **Performance Management (Individual)** | To establish and implement PMS procedures through monitoring and review to enhance accountability and performance improvement by June 2027 | Review divisional scorecards and monitor implementation | 2025/2026 Performance Agreements for Employees below S56 Managers | | Number of signed Directorate's Performance Agreements for Employees below S56 Managers submitted by 31 July 2026 | Submit 41 Signed Performance Agreements for Employees below S56 Managers by 31 July 2026 | Schedule of submission | Submit 41 Signed Performance Agreements for Employees below S56 Managers by 31 July 2026 | N/A | N/A | N/A |
| | | | Number of Performance Reviews for Employees below Section 56 Managers conducted in 2025/2026 financial year | | Number of Performance Reviews for Employees below Section 56 Managers conducted by June 2027 | Conduct 4 Performance Reviews for Employees below Section 56 Managers by June 2027 | (1) Agenda, attendance register and report on 2025/2026 Annual Performance Reviews<br>(2) Agenda, attendance registers and report on 2026/2027 First Quarter Performance Reviews<br>(3) Agenda, attendance registers and report on 2026/2027 Mid-Term Performance Reviews<br>(4) Agenda, attendance registers and report on 2026/2027 Third Quarter Performance Reviews | Conduct 2025/2026 Annual Performance Reviews for Employees below Section 56 Managers | Conduct 2026/2027 First Quarter Performance Reviews for Employees below Section 56 Managers | Conduct 2026/2027 Mid-Term Performance Reviews for Employees below Section 56 Managers | Conduct 2026/2027 Third Quarter Performance Reviews for Employees below Section 56 Managers |
| **Policies** | To co-ordinate policy development and review to guide decisions of the municipality and compliance of all the legislative prescripts by June 2027 | Review of Institutional Policies | Policies reviewed in 2025/2026 financial year | | Number of Budget and Treasury Office Directorate Policies reviewed by June 2027 | Review 28 Budget and Treasury Office Directorate Policies by June 2026 | Council Resolution on approved Budget and Treasury Directorate policies | N/A | N/A | Review 28 Budget and Treasury Office Directorate Policies | N/A |
| **Risk Management** | To maintain effective and efficient risk management and advise on strategies to minimise risk impact by June 2027 | Coordinate functioning of the oversight committees- Audit Committee and Risk Management Committee | 2025/2026 Strategic and Operational Risk registers | | 2025/2026 and 2026/2027 strategic and operational risk registers reviewed, monitored and evaluated by June 2027 | Review, monitor and evaluate the implementation of 2025/2026 and 2026 /2027 strategic and operational risk registers quarterly by June 2027 | (1) Strategic and Operational Risk Registers<br>(2) Annual Report on Implementation of Strategic and Operational Risk Registers | Review, monitor and evaluate the implementation of 2025/2026 fourth quarter strategic and operational risk registers | Review, monitor and evaluate the implementation of 2026/2027 first quarter strategic and operational risk registers | Review, monitor and evaluate the implementation of 2026/2027 second quarter strategic and operational risk registers | Review, monitor and evaluate the implementation of 2026/2027 third quarter strategic and operational risk registers |
| **Internal controls and Auditing** | To improve financial accountability for good financial governance by June 2027 | Develop and implement audit action plan | 2024/2025 Audit Opinion | | Unqualified Audit opinion achieved by June 2027 | Achieve unqualified Audit opinion by June 2027 | 2025/2026 Audit Report | N/A | N/A | Develop and Implement 2025/2026 Audit Action Plan | Implement 2025/2026 Audit Action Plan |

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# ANNEXURE B
# PERSONAL
# DEVELOPMENT PLAN

# MNQUMA LOCAL MUNICIPALITY

## Personal Development Plan (PDP)

| Development goals | Measures of achievement/expected outcomes |
|---|---|
| Build a strong professional network within the local government and broader financial community. | • Participate in forums and discussion groups on public sector finance.<br>• Join professional associations and attend networking events.<br>• Engage in peer-to-peer learning and mentoring programs. |
| Introduce innovative financial practices and technologies. | Explore and implement fintech solutions. |
| Develop and mentor high-potential finance employees to strengthen leadership capacity and succession planning within the Budget and Treasury Office. | Conduct quarterly one-on-one mentoring sessions with the mentee. |
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|---|---|---|
| **Methods to be used** | | |
| **On job Learning** | | |
| *What challenging assignments should this employee work on to build skills and achieve developmental goals? List the goal number to each item.* | | |
| **Goal** | **Type of assignment** | **Time frame** |
| Build a strong professional network within the local government and broader financial community. | Attend the Financial Statements Preparation Forum made up of neighboring municipalities, namely the Great Kei Local Municipality and the King Sabata Dalindyebo Local Municipality.<br>Attend Accounting Standards Board GRAP review engagements.<br>Attend Treasury GRAP training sessions. | 30 June 2027 |

| | | |
|---|---|---|
| | | |
| Introduce innovative financial practices and technologies. | Full implementation of the Asset Management Module on the Enterprise Planning Resource (ERP), namely Inzalo Platinum. | 30 June 2027 |
| Develop and mentor high-potential finance employees to strengthen leadership capacity and succession planning within the Budget and Treasury Office. | Hold for 4 review sessions with the mentee. | 30 June 2027 |
| | | |
| | | |

**Training/Education**

*What specific training, educational experience, and performance support measure can be used to develop desired skills and assist in achieving the employee's goals? List the goal number next to each item.*

| Goal | Type of Training/Education/Support | When? | Cost Estimate |
|---|---|---|---|
| Build a strong professional network within the local government and broader financial community. | Training on GRAP updates and application in municipal financial reporting. | 30 June 2027 | Free – provided by the Accounting Standards Board and Treasury. |
| Introduce innovative financial practices and technologies. | Training provided on the application of the Asset Management Module | 30 June 2027 | R40 000 |
| | | | |
| | | | |

**Support Needed**

What additional support is needed to achieve the employee's goals (coaching, mentoring etc.)? how will it be provided

None

**Monitoring Progress**

Who will provide feedback on the employee's progress, and how often? Be as specific as you can regarding who is involved and how often progress will be assessed.

| | |
|---|---|
| Silumko Mahlasela on a quarterly basis. | |
| **Time Frame** | |
| Start date of the plan:<br><br>August 2026 | Anticipated completion date:<br><br>June 2027 |

**This plan is agreed to as indicated by the signatures below:**

**Name of the employee** **: Mr Mzusekho Matomane**

**Signature:**............................................ **Date:** 01/07/2026

**Name of the Supervisor/HOD** **: Mr Silumko Mahlasela**

**Signature:**............................................ **Date** 01/07/2026